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# AGRICULTURAL COOPERATION

LEGAL, ECONOMIC, AND ORGANIZATION INFORMATION COLLECTED BY THE BUREAU OF AGRICULTURAL ECONOMICS,  
UNITED STATES DEPARTMENT OF AGRICULTURE, WASHINGTON, D. C.

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May 24, 1926.

Vol. IV, No. 11.

## PERCENTAGE OF COTTON MARKETING COOPERATIVELY IS INCREASING

About nine per cent of the 1925 cotton crop was handled cooperatively. Reports received by the U. S. Department of Agriculture up to late in April indicate that the total business of 16 of the larger farmers' cotton marketing associations will approximate a million and a half bales. As the crop was about 16,000,000 bales, as indicated by the ginning reports, the actual per cent representing cooperative activity is slightly over 9 per cent. This is the largest percentage of the total cotton crop ever handled cooperatively. The next best record is for the 1923 crop when 8.9 per cent of the bales ginned was marketed through 14 cooperative associations.

The 1921 crop was the first one of which any significant part was marketed by farmers' associations. A little over 5 per cent of that crop was delivered during the 1921-22 season or the succeeding season to seven state or regional associations for marketing. Of the 1922 crop 7.4 per cent was marketed through large-scale associations; 8.9 per cent of the 1923 crop, and 8.4 per cent of the 1924 crop, was similarly handled.

Four of the 16 associations now active have been functioning for five seasons, 9 for four seasons, 14 for three seasons, and all 16 associations for the past two seasons. Twelve of the 16 associations have united in establishing and maintaining the American Cotton Growers' Exchange which is designed to coordinate field service work, business practices, legislative and educational programs, and to furnish sales service. The exchange furnishes complete sales service to one of the state associations and foreign sales service to most of the member associations.

The percentage of the cotton crop in the various states handled cooperatively during the past year varies from about 4 per cent in Missouri to more than 15 per cent in New Mexico and Mississippi. The tentative percentage figures for 1925 crops for the several states are as follows: Missouri, 4.2 per cent; Louisiana, 5.6; Texas, 5.9; Tennessee, 6.4; Arkansas, 7.7; Alabama, 7.9; Georgia, 9.8; South Carolina, 11; Oklahoma, 12.2; Arizona, 13.9; North Carolina, 14.6; Mississippi, 15.2; and New Mexico, 15.5.

In 7 of the 14 states in which there are large-scale cotton marketing associations a larger percentage of the cotton crop was handled cooperatively the last season than the first season of large-scale marketing.

FLORIDA CITRUS GROWERS CONSIDER BIG ADVERTISING PROGRAM

Florida citrus growers are considering a proposal recently made by the general manager of the Florida Citrus Exchange relative to the creation of a corporation to raise and expend a million dollars in advertising. The proposal was made to the Fruitmen's Club and contemplated that the plan if adopted should receive the support of all persons interested in the Florida citrus industry.

The plan presented includes the creation of a Florida corporation for the sole purpose of financing and directing advertising and publicity campaigns aimed toward increasing the consumption of Florida citrus fruits. It is proposed that the new organization shall be open to all citrus shippers in the state, that the money needed for advertising and publicity shall be raised by annual per-box assessments, that voting in the corporation shall be on the basis of boxes shipped, and that a subsidiary company shall be set up to develop outlets for Florida fruits in European markets and to handle all foreign shipments on a pool basis.

The tentative plan provides that the money derived from the per-box assessments shall be used only for the purpose of advertising and merchandising Florida citrus fruits. The advertising would mention no trade-marks nor brands but would stress the consumer sales features which apply to Florida fruits.

Except in the case of the fruit exported, the state-wide advertising corporation shall "in no way control sales policies of individual shippers or organizations, offer sales assistance, inhibit use of individual brand advertising, nor control prices."

It is further proposed that each shipper contribute to the foreign pool "in proportion to his holdings" and that the pool include the total quantity which might be considered surplus above the consuming capacity of American markets, and that this fruit be sold for what it will bring.

It is estimated that not less than one million dollars should be available for the first year of activity. The general manager of the Florida Citrus Exchange, in presenting the plan, pledged the support of that organization. He made it clear that he was prompted to present the proposal because of the great need for more consumers of Florida citrus fruits. He pointed out that the indications were that there would be a large crop of oranges that coming season and still larger crops in subsequent seasons. He gave it as his opinion that fully 75 per cent of the citrus fruit of the state should be included in the plan to insure its success.

WENATCHEE APPLE ASSOCIATION TO OPEN OFFICE IN NEW YORK

A district sales office is to be opened in New York City about the first of July by the Wenatchee District Cooperative Association, Wenatchee, Wash. In addition to sales in New York City and vicinity this office will have supervision over sales work in New England, Eastern Canada, and several important markets adjacent to New York.

This new enterprise is a part of the program to shorten the route of sale between the grower and consumer. A manager has been secured who is acquainted with the trade and familiar with conditions in New York's fruit markets. As at least 30 per cent of the apples handled by the association are sold in New York each year, it is expected that the office will more than justify the expense, while the advantages of having a direct representative on the market to collect market and crop information, to give personal attention to sales and grievances, and to keep in close contact with export trade, will be of great benefit in developing business for future years.

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COLORADO POTATO EXCHANGE MAKES NEW RECORD

More than 5,000 cars of potatoes and onions had been shipped to April 12 by the Colorado Potato Growers' Exchange, Denver, thus establishing a new high record. At the present rate it is expected that the increase in business over the two former seasons will amount to 20 per cent. To officials of the organization this increase in business means more than dollars and cents; it means a "confident, loyal membership and a substantial increase in the number of new members ..... growing confidence on the part of farmers .... pride of organization..."

Most of the locals are shipping potatoes and onions in mixed cars. The Monte Vista organization leads the list with 1,390 cars, and the Center local follows with 780.

Purchases of seed potatoes are running only about 65 per cent of the tonnage of last year, with prices very high. Constructive work is being done for the standardization of varieties and concentration on a few of the best.

The Fruita Association, at its recent annual meeting, took steps to limit its membership for the remaining two years of the contract period. It was decided to open the books to new members from March 1 to 16 and again from June 1 to 16, then to close the contract for signatures during the remainder of the term.

### SUCCESSFUL YEAR FOR NEW ENGLAND CRANBERRY ASSOCIATION

Seventy-three persons representing 110 memberships of the New England Cranberry Sales Company, Middleboro, Mass., were present at the annual meeting of the company held April 13, 1926. It was reported that the 1925 crop handled by the association, consisting of the equivalent of 225,754 barrels, sold for a larger sum than any previous crop in the history of the company. The total amount paid growers after the deduction of all marketing expenses was \$2,183,534, which is a considerably larger sum than has ever before been paid to the growers.

The five packing houses operated by the company handled the equivalent of 31,222 barrels, which record is only surpassed by that of the 1923-24 season when 34,694 barrels were handled. It was decided at the annual meeting to add to the equipment at three of the packing plants that the capacity of each might be increased.

The president of the company in his annual address reviewed the policy of the organization in the matter of advertising. A deduction of 50 cents a barrel was made from the returns for the 1925 crop and a similar deduction was authorized by the membership in connection with the marketing of the 1926 crop.

This company is now starting upon its 20th year of activity. Its growth since 1912, for which period data are available, is as follows:

Year	:	Barrels handled	:	Paid growers
	:	Number	:	Index
	:		:	
1912-13	:	149,397	:	100
1913-14	:	194,126	:	130
1914-15	:	218,967	:	147
1915-16	:	127,976	:	86
1916-17	:	156,667	:	105
1917-18	:	65,531	:	44
1918-19	:	113,422	:	76
1919-20	:	207,341	:	139
1920-21	:	175,659	:	118
1921-22	:	113,095	:	76
1922-23	:	193,875	:	130
1923-24	:	229,830	:	154
1924-25	:	182,393	:	122
1925-26	:	225,754	:	151

At the close of the 1925-26 business year the company had a net worth of nearly \$90,000. Its real estate, packing plants, and equipment were valued at \$54,000.

The company is one of three which have federated and created the American Cranberry Exchange, which performs the marketing function for the member units.

SALES AGENCY FOR KANSAS, NEBRASKA AND COLORADO ASSOCIATIONS

A new margin of \$32,694 was accumulated by the Kansas Cooperative Grain Company, Kansas City, Mo., during the nine months ending with March 31, 1926. The income of the company was \$105,539 and the expenses were \$72,645.

The company was organized in 1925 as a subsidiary to furnish elevator and marketing service for four state-wide wheat marketing associations, Kansas Cooperative Wheat Marketing Association, Kansas Wheat Growers' Association, Nebraska Wheat Growers' Association, and Colorado Wheat Growers' Association.

Capital stock to the amount of \$200,000 has been issued of which amount \$10,000 is common stock and \$190,000 is preferred stock. On March 31, 1926, the company had a surplus of \$43,638. Its fixed assets amounted to \$89,354.

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TEXAS EQUITY EXCHANGE PAYS DIVIDENDS EVERY YEAR

Sales by the Perryton Equity Exchange, Perryton, Texas, during the past year aggregated \$264,333. The total gross profit was \$27,808; total expense, \$22,732; and net profit, \$5,075. Outstanding capital stock amounts to \$79,718, and the surplus fund to \$16,191.

As the grain crop was almost a total failure in the Perryton territory last year the business was only about one-fourth of the usual amount and the showing made is considered excellent under the circumstances.

The exchange owns and operates elevators at four points, which have a depreciated value of \$39,663, aside from the land valued at \$5,590, and furniture and fixtures, \$2,994.

During the six years of operation the exchange has grown from 126 members to 390, and has handled business amounting to over three and one-half million dollars and paid \$110,000 in dividends. A composite report for the six years shows the following figures:

Year	: Number of members	:	Sales	:	Dividends paid
1920	: 126	:	\$ 466,931	:	\$ 9,593
1921	: 224	:	786,304	:	20,352
1922	: 252	:	501,560	:	18,829
1923	: 257	:	432,551	:	4,565
1924	: 320	:	1,155,054	:	23,672
1925	: 390	:	264,333	:	6,201

### MANITOBA WHEAT POOL PROPOSES TO BUY ELEVATORS

An offer has been made by the Manitoba Cooperative Wheat Producers, Limited, Winnipeg, to purchase or lease the elevator properties of the United Grain Growers, Limited. It is felt that the farmers of the province should be united in a grain marketing system, owned, controlled and operated by themselves, and several conferences have been held between the executive boards of the two organizations for the purpose of determining a fair basis for mutual cooperation in handling Manitoba grain. A plan for amalgamation was prepared but the decision was finally reached that the two organizations represented fundamentally different systems of grain marketing and the proposed amalgamation was not practicable. Following this decision an offer to purchase or lease the elevators of the United Grain Growers in Manitoba was presented to that organization.

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### CANADIAN SELLING AGENCY NEGOTIATING FOR PACIFIC PORT

A new elevator at Prince Rupert, B. C., is to be leased to the Canadian Cooperative Wheat Producers, Limited, Winnipeg, according to a report from the American Consul at that port, dated April 5, 1926. This will give the Canadian sales agency the advantages of a Pacific port. It is reported that the lease is for two years with option of renewal.

The elevator is owned by the Canadian Government and is not subject to municipal taxation while under Government control. The leasing company has asked the City of Prince Rupert to continue an exemption from local taxation during the life of the lease.

It is expected that wheat from those sections of Alberta which are favorably situated for the Prince Rupert route will find exit through that port, destined mainly for the Orient.

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### NEBRASKA WHEAT GROWERS SIGNING NEW CONTRACT

A new marketing contract is being presented to members of the Nebraska Wheat Growers' Association, Hastings, although the present contract extends to June 30, 1928. The association was incorporated under the laws of Kansas as Nebraska had no cooperative marketing law at that time. As such a law was enacted during the last session of the legislature the wheat growers propose to incorporate under the laws of Nebraska as the Nebraska Wheat Growers' Association, Non-Stock Cooperative.

Every member signing the new agreement is required to sign the old agreement and also the transfer to the new agreement. This will make him a member of the new association as soon as it is incorporated, which will be done as soon as one million bushels of wheat is signed up. Half of this has already been secured.

The new agreement is published in full in the Nebraska Wheat Grower, April 1, 1926.

ORLEANS EQUITY CREAMERY ISSUES SECOND YEAR BOOK

"The Countless Stars in the Milky Way" is the title given to the second Year Book of the Farmers' Equity Cooperative Creamery Association, Orleans, Nebr. The booklet includes a sketch of the early history and development of the association, financial statements, pictures of the buildings, equipment and personnel, and a number of other features.

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BEAUTIFICATION CONTEST OF WISCONSIN CHEESE FACTORIES

More than \$1,000 in prizes is offered by a laboratory firm to the cheese factories of Wisconsin which show the greatest improvement in their immediate surroundings during 1926. Five state prizes are offered for the five factories which make the biggest improvement, and a number of county prizes. A campaign for the beautification of the factories of the Wisconsin Cheese Producers' Federation has been carried on for a number of years and has resulted in great improvements in appearance and in sanitary conditions.

Among the factors considered will be: repairing and painting of buildings; cleaning up of surroundings; arrangement of grounds; planting of trees, shrubs, vines and flowers; and sanitary arrangements.

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INCREASED BUSINESS FOR DAIRY ASSOCIATION

An increase of 55 per cent in volume of business was reported at the third annual meeting of the Michigan Producers' Dairy Company, Adrian, Mich., a subsidiary of the Michigan Milk Producers' Association. More than 8,000,000 pounds of dairy products were marketed during the last business year, as follows:

Butter.....	642,880	pounds
Cottage cheese.....	6,700	"
Sweetened condensed skim milk.....	419,142	"
Evaporated whole milk.....	112,000	"
Evaporated skim milk.....	34,470	"
Powdered skim milk.....	339,360	"
Skim milk.....	2,662,500	"
Buttermilk.....	922,880	"
Starter.....	33,700	"
Milk.....	2,345,300	"
Cream.....	636,400	"

About 60,000 pounds of milk is now being handled daily, also a large quantity of cream. The plant has the advantage of competitive outlets with the fluid milk market of Detroit on the one hand, and several large condensaries on the other.

DAIRYMEN'S LEAGUE BUYS PENNSYLVANIA BUSINESS

In accordance with its program for expanding its city markets the Dairymen's League Cooperative Association, New York City, has recently purchased the business of a company which distributes milk in Scranton, Wilkes-Barre, Pittstown, and other towns in the anthracite coal valley. This company has been selling League milk for about two years during which time it has expanded rapidly. The purchase will give the League opportunity for further expansion in the anthracite region.

It has been decided to retain the name of the old company for the present. This was a capital stock organization operating under the laws of Pennsylvania. Of its capital stock the Dairymen's League now owns all but three shares, used to qualify three officers of the League as directors.

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DAIRYMEN'S LEAGUE ELABORATES EDUCATIONAL PROGRAM

A committee appointed by the Dairymen's League Cooperative Association, New York City, to develop plans for local and sub-district meetings, presented the following recommendations at the April board meeting:

Each local should hold at least four meetings during the year, one of these to be the regular annual meeting in January, another the regular meeting in May when delegates for the sub-district and annual meetings are elected, the other meetings to be devoted to League questions that seem to be of greatest importance.

Locals should be encouraged to send women delegates to the annual meeting, these delegates to be chosen at the May meeting.

Locals should cooperate with other farm organizations, state colleges, and state departments, in every way possible in furthering local agricultural interests.

Suggested program for local and sub-district meetings are available at the office of the League and will be sent upon request. The subjects of some of these programs are given below:

What is the relation of producer to consumer of milk?

What are the city boards of health requiring? Are the requirements of advantage to the dairy industry?

Woman's part in the Dairymen's League organization.

What is the food value of milk? (Demonstration or talk by Home Bureau manager.)

Community picnics are encouraged and community signing is stressed. Song leaders have been developed in a number of groups.

PAYMENTS TO BURLEY TOBACCO GROWERS

Final payment on 29 grades of 1924 tobacco was made recently by the Burley Tobacco Growers' Cooperative Association, Lexington, Ky. The payment amounted to \$10,600,000. Accompanying the check sent to each grower having tobacco in any one of the 29 pools was a detailed statement of the expenses charged against the 99,174,800 pounds of tobacco included in the pools.

The larger items making up the total expense according to the statement of the association were:

Executive officers and directors.....	\$ 60,858
Receiving houses (net).....	325,479
Prizing (net).....	40,274
Storage.....	187,520
Warehouse upkeep (net).....	302,528
Grading.....	222,240
General office.....	215,579
Educational, legal, field service (net).....	193,148
Taxes on tobacco.....	24,063
Interest and insurance on tobacco.....	202,228

In addition to deductions for actual operating expenses there was deducted one per cent of sales as a reserve for credit purposes and a small amount in each warehouse district for retiring the eight per cent preferred stock of the nine district warehouse corporations.

The returns to the growers were on the basis of \$39.60 per 100 pounds for the best grade of tobacco and \$7.80 for the lowest grade in the 29 pools.

Up to the beginning of May a total of \$141,776,498 had been paid to member growers. The 1921 crop has been paid for in full and payments have been made on the other crops as follows: 1922, crop, \$42,426,619; 1923, \$53,852,267; 1924, \$23,862,105; 1925, \$12,203,423.

Although 123,000,000 pounds of tobacco has been sold since November the association still has on hand ready for sale approximately 155,000 hogsheads of tobacco as follows: 1923 crop, 62,000 hogsheads; 1924, 23,000; 1925, 65,000. It has borrowed \$10,000,000 on the 1923 and 1925 tobacco in storage using the money to make advances to the growers.

The president of the association announced recently that the average consumption of Burley tobacco is 260,000,000 pounds a year, and if more than this quantity is produced it will be possible to market it only at reduced prices. In four seasons the Burley association alone received 735,000,000 pounds.

Attention is called to the fact that 667 new members have been received in the past six months. Of the new members, 468 are growers in Kentucky, 87 in Indiana, 66 in Ohio, 16 in West Virginia and 11 in Virginia.

(See Agricultural Cooperation April 12, 1926, p. 168 and May 10, 1926, p. 204)

PENNSYLVANIA DEPARTMENT REPORTS ON COOPERATIVES

Pennsylvania had 41,160 farmers who were active members of cooperative associations at the close of 1925, according to a preliminary report from the Pennsylvania Department of Agriculture, dated May 10. This was one-fifth of the total number of farmers of the state. The figures included the membership of 94 local associations and the Pennsylvania members of 5 interstate associations. The local associations, as a whole, showed an increase of 6 per cent in the number of members.

Business transacted through the cooperative buying and selling associations in 1925 amounted to \$34,500,000, an increase of 6.5 per cent over the 1924 business of \$32,409,000. Of this sum, \$28,356,777 was credited to the transactions with Pennsylvania farmers, of the large interstate organizations, and \$5,994,000 to the 94 local associations. Corresponding figures for the previous year were \$26,149,000 and \$6,260,000.

Seven leading organizations transacted business totaling \$29,526,287, or 86 per cent of the entire cooperative business done by the farmers of the state in 1925, compared with 87.5 per cent by the seven largest associations in 1924.

Grouped by commodities the statistics show that sales of milk and milk products amounted to \$18,679,675, an increase of 9.1 per cent over 1924, partly due to higher prices and partly to larger volume. Sales of fruits and vegetables totaled \$910,480, a decrease of 18 per cent, readily accounted for by lower yields. Three incorporated wool pools sold wool to the amount of \$79,180, an increase of 21.5 per cent. Cooperative egg sales amounted to \$89,910, a decrease of 17.5 per cent in spite of an increase of 1 per cent in the number of dozens handled. Sales of livestock amounted to \$294,000.

Cooperative purchasing associations sold supplies to the amount of \$4,447,020 in 1925, compared with \$4,840,403, a decrease of 8.1 per cent. This was accounted for by the practical suspension of business by a state-wide central purchasing association, as practically all the locals showed an increase in business. Thirty-six associations which sold farm supplies to the amount of \$1,519,020 in 1924, had sales of \$1,613,000 in 1925, an increase of 6.2 per cent.

It is stated that a weeding out process has been going on and individuals who were considered as "dead wood" have been eliminated. One interstate association dropped more than a thousand members either because it could not handle their products economically or because of their disloyalty. The 41,160 farmers now listed as members are believed to be active members of functioning cooperative enterprises.

SIXTH INTERNATIONAL COOPERATIVE SUMMER SCHOOL

Manchester, England, has been selected as the location for the Sixth International Cooperative Summer School, July 17 to 31, 1926. The five previous schools of this character have been conducted and financed by the British Cooperative Union. This year for the first time, the International Cooperative Alliance has taken charge of the school.

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AMERICAN INSTITUTE OF COOPERATION ISSUES PROGRAM

The program for the Second Summer Session of the American Institute of Cooperation is now ready for distribution in the form of a booklet of 32 pages. The meetings will be held at the University of Minnesota, St. Paul, June 21 to July 17, 1926. The booklet outlines the purpose and scope of the Institute; lists the participating organizations, the officers and committees; gives the tentative schedule for all meetings; enumerates the special courses for academic credit; and gives general information. Copies of the announcement may be secured from the office of the American Institute of Cooperation, 1731 Eye St., N. W., Washington, D. C.

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FIRST CALL TO FIFTH COOPERATIVE CONGRESS

The Cooperative League of the United States of America has issued a call to its constituent societies to send delegates to the Fifth Cooperative Congress, to be held in Minneapolis, November 4-6, 1926. This congress of consumers' societies meets but once in two years. In addition to the societies which are entitled to send voting delegates, a number of other types of societies, including agricultural marketing and service societies, are invited to send fraternal delegates, and it is announced that "the courtesy of discussion may be extended to these fraternal delegates."

Among the subjects which will be discussed are:

- Cooperative auditing and tax returns
- Uniform methods and comparative figures in cooperative accounting
- Cooperative insurance and banking
- Educational work inside the store
- Cooperative publications and how to extend their service
- Relations between the consumers' movement and the producers' marketing movement
- A national cooperative year book
- A national training school and correspondence school
- League policies during 1927 and 1928

### OKLAHOMA COLLEGE OFFERS COOPERATIVE SELLING COURSES

Two important courses of study are announced by the Oklahoma A. & M. College, Stillwater. One deals with the principles of cooperative marketing as applicable to any commodity, characteristics of cooperative business, forms of organization, prerequisites to success, etc. The other course deals entirely with the marketing of cotton, beginning with farm production as it effects marketing, and following the various processes from the farm to the mill.

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### OREGON'S COOPERATIVE MARKETING SCHOOL

A Report of the Proceedings of the Cooperative Marketing School, held at the Oregon Agricultural College, February 24 to 26, 1926, has been issued in mimeographed form. The school was held under the direction of the Specialist in Organization and Markets, of the Oregon Agricultural Extension Service. A varied program was presented by speakers representing many lines of cooperative effort. The report of the addresses and discussions covers nearly one hundred mimeographed pages.

Requests have been received from various parts of the state for similar schools. It is planned for the college to furnish instructors for such schools wherever there is evidence of sufficient interest to justify the undertaking.

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### ELEVATOR MANAGEMENT TO BE TAUGHT IN NORTH DAKOTA

A short course in elevator management and grain marketing is offered by the North Dakota Agricultural College, Fargo, from June 7 to 12, 1926. This course is intended primarily for elevator managers and directors of elevator companies, but other interested parties are cordially invited to attend. The course consists of two rather distinct parts, one part taking up the management problems of the country elevator, such as cost of operation, hedging, and card prices; the other part dealing with grain grades and varieties, milling, protein tests, and Government regulation.

Problems of efficiency in elevator management will be considered with respect to cost of operation, and gross trading profits in relation to the volume of business, side lines, and finances. Material for the course has been secured by visits to 225 North Dakota elevators, and from the audits of 100 of these elevators for periods of from one to seven years. Men experienced in various lines of grain handling will assist the college forces in presenting the course.

Elevator men who attend the meeting are urged to bring their own business statements and audits in order that they may learn to score their own elevators in regard to efficient operation.

FORTIETH CONGRESS OF RUSSIAN CONSUMERS' SOCIETIES

The fortieth session of the All-Russian Central Union of Cooperative Societies (Centrosoyous) was held early in April. From material prepared for this meeting and presented in a mimeographed bulletin, the following information has been selected.

The program included reports from Centrosoyous, from the Central Workers' Cooperative Section, from the transportation section, financial report, auditors' report, report on Centrosoyous statutes, and report on organization.

Figures compiled by Centrosoyous show that goods to the value of 409,000,000 roubles passed through the hands of the cooperatives in 1923-24, and to the value of 912,000,000 roubles in 1924-25, an increase of more than 100 per cent. For the same periods the net retail trade of the rural cooperatives equalled 358,000,000 roubles and 700,000,000 roubles, respectively. It is reported that the peasant makes most of his purchases through his cooperative. The average turnover per rural inhabitant varies in the different sections of Russia from 8.46 roubles to 1.52 roubles. (Par value 51.5 cents.)

In the past year the State trading organs have supplied 24.6 per cent of the purchases made by cooperatives, which was an increase of 109 per cent over the previous year.

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MARKETING PIGS COOPERATIVELY IN QUEENSLAND

The North Queensland Cooperative Bacon Company, Limited, Floreat Siding, Mareeba, Australia, began operations in May, 1924, and in its first year had a turnover of £25,020. It is said to be truly cooperative in practice. When first completed the factory had a capacity of 150 pigs per week. Before the season was over it was found that more space was required and the buildings are being enlarged to a capacity of 450 pigs per week.

The company operates over the whole area included under the Atherton Tableland Pig Pool, which came into operation on July 1, 1923. Prior to the inception of this pool the pig industry in Northern Queensland was in a bad way and prices were low. The compulsory pool and the new bacon factory have saved the situation, prices have improved and the entire industry is on a better basis.

The turnover of the company for the year was £25,020, of which £21,445 was for chilled pork, hams and bacon, and £3,575 was from small goods, hides and tallow. After allowing for depreciation and preliminary expenses, the profits of the year were £635. The quality of the goods turned out is reported as high and practically the entire output is being sold locally. This is especially advantageous as this is a somewhat isolated community, a long distance from the southern markets.

CANADIAN STORES MAKE REPORTS

Summaries of the financial statements of a number of Canadian cooperative stores are given in the April issue of the Canadian Co-operator, from these statements the following data have been abstracted.

The Wetaskiwin U. F. A. Cooperative Association, Ltd., Alberta, made sales of general merchandise and coal to the amount of \$138,402, during the year 1925, from which a gross profit of \$13,777 was realized. The association also engaged in the shipping of livestock for its members and patrons to the extent of \$139,178, realizing the small gross margin of \$299. Further income from rents and sale of binder twine raised the aggregate gross revenue to \$15,419. Total expenses, including depreciation and bad debts, came to \$11,689, leaving a net surplus of \$3,730, of which 10 per cent was carried to the reserve fund. Eight per cent interest was paid on capital, leaving \$2,345 available for patronage dividends.

The Waldhof Farmers' Cooperative Club, Ltd., is made up of rural pioneers in Northern Ontario and it is stated that the society is functioning to great advantage for a small and isolated community. The society not only distributes merchandise to its members but to a considerable extent markets their produce. Merchandise sales were \$17,682; sales of pulp wood and fuel wood, railroad ties, fence posts, and blueberries, amounted to \$15,101, a total for the two departments of \$32,783. The net surplus amounted to \$1,188 of which 20 per cent was added to the reserve fund, a 3 per cent dividend was paid on members' purchases, and 8 per cent was set aside to purchase cement for the new store, the reserve for which already amounted to \$1,458.

The British Canadian Cooperative Society of Sydney Mines and Glace Bay, N. S., for the last half year had sales of \$673,920, which was less than the corresponding period of the previous year, due to part time employment following a long strike period when the resources of the people were exhausted. The net trade surplus for the term was \$56,613, and interest brought the total net revenue to \$57,973. After providing for the interim quarterly purchase dividend to members amounting to \$22,292, property destroyed by raids and other liabilities, there remained an available surplus of \$31,460. It was decided to pay a 9 per cent dividend on members' purchases for the 78th quarter, a dividend of 4-1/2 per cent on purchases of non-members, and to transfer the remainder to the reserve. During the six months the society added 448 new members, but 274 withdrew, leaving a net gain of 174, and a total membership of 3,045. The large turnover in membership is due to many workers leaving the district on account of unsatisfactory economic conditions.

The Revelstoke Cooperative Society, B. C., had total sales for the half year of \$37,222, of which \$3,564 were sales of coal. Gross profit amounted to \$4,916 and the net profit to \$1,134. A debit balance of \$493 was wiped out; \$66 was applied to depreciation of equipment; \$510 to paying 5 per cent interest on share capital for the whole year; and \$64 to the reserve fund. The company has share capital of \$10,201 and a reserve fund of \$267.

LIQUIDATED DAMAGES AND CROP LIENS IN NORTH CAROLINA

On March 24, 1926 the Supreme Court of North Carolina decided the case of the North Carolina Cotton Growers' Cooperative Association v. Bullock, 130 S. E. 154, in favor of the association. It appeared that the defendant entered into the marketing contract of the association under which the association agreed to buy and he agreed to sell all cotton produced or acquired by or for him in North Carolina during the years 1922 to 1926 inclusive. Following the signing of the contract, Bullock executed a crop lien on his 1922 crop of cotton and another lien upon his 1923 crop. The opinion does not indicate whether the lien holders knew of the marketing contract at the time they took their liens. On demand of the holders of the liens the defendant sold his 1922 and his 1923 crops on the open market without the knowledge or consent of the association. Subsequently the association brought suit and recovered a judgment against him for \$765 as liquidated damages, being at the rate of 5 cents per pound for all cotton marketed outside the association, \$150 as attorney fees, and \$25 to cover the initial and two renewal premiums on the injunction bond, with interest on these amounts until paid.

The defendant appealed and the Supreme Court of the state held that the case had been rightly decided. Attention is called to the following quotation from the opinion in the case:

We have recognized the right of a member of the association to execute a mortgage or agricultural lien on his crop for the current year to enable him to cultivate and produce the crop for which the advances were made; and in one or two cases we have held that an order enjoining the grower's wrongful disposition of the crop should be drawn without prejudice to the right of the mortgage or lien holder to demand and receive of the defendant the mortgaged property or a sufficient part of it to satisfy his claim. Tobacco Growers' Cooperative Association v. Patterson, 121 S. E. 631, 187 N. C. 252; Tobacco Growers' Cooperative Association v. Harvey, 127 S. E. 545, 189 N. C. 424. But we have never gone to the extent of holding that upon the lienor's demand a member may sell his crop on the open market without the knowledge or consent of the association.

The cases above referred to were instituted by the cooperative association involved for the purpose of restraining the defendants from disposing of their tobacco outside of the association, with the

results indicated in the quotation. In the instant case the court apparently attached great significance to the fact that the defendant agreed that he would pay the association 5 cents per pound for all cotton which he marketed outside of the association. The court reached the conclusion that this express promise was not abrogated by reason of the fact that the defendant had executed crop liens which the court held were valid.

In this connection the court said in part:

When the defendant, in plain breach of his express agreement, without the approval, consent, or knowledge of the plaintiff, exposed his cotton to sale in the open market, he became liable for the liquidated damages prescribed in section 18a. .... This construction of the marketing agreement does not curtail or in any way restrict the lienor's right to enforce payment of his claim; but it does prevent the mortgagor from abrogating his contract with the association by selling his crop on the open market. When he has contracted that he will not dispose of his crop in this manner, he should regard it no hardship if he is required to abide by the written word. If we should uphold the contention that the defendant had a legal right to sell his entire crop on the open market, though at the demand of the lien-holder, the effect would be the practical nullification of the marketing agreement.

Apparently the court adopted and adhered to the ancient rule relative to contracts that "Impossibility which arises subsequently to the formation of a contract does not as a rule excuse from performance." "When the party by his own contract creates a duty or charge upon himself, he is bound to make it good because he might have provided against it by his contract." *Paradine v. Jane*, *Aleyn* 26.

L. S. Hulbert

COURT QUESTIONS PROVISION OF MISSISSIPPI COOPERATIVE ACT

The Supreme Court of Mississippi recently decided the case of the Staple Cotton Cooperative Association v. Hemphill, 107 So. 24, against the association.

The association brought an action of replevin against Hemphill upon the theory that it was entitled to the possession of certain bales of cotton which, it appeared, were grown upon the land of Hemphill by his tenants on a share basis. The trial court decided the case in favor of Hemphill and the Supreme Court, on appeal, affirmed the decision on the ground that the association did not have the right to the possession of all of the cotton because of the undivided interest of the tenants therein and as "no particular part belonged exclusively to Hemphill the writ of replevin was the wrong remedy for the plaintiff to have pursued."

The association contended that, inasmuch as the cooperative act of 1922 of Mississippi provides in substance that "the law conclusively presumes that the products produced by any person, firm, or corporation during the period of time covered by such marketing contract on the land of such member, however and by whomsoever produced, are the products of such member," it was entitled to the cotton.

The court declined to apply the provision of the statute in question to the instant case and, in doing so, said,

Inasmuch as this statute seems to make the presumption conclusive, it would, if followed at all, be more than a mere rule of evidence. It would, if upheld, be a matter of substance, creating an absolute right, binding upon every person who made a contract after its enactment. Wherever a statute is susceptible to two constructions, one of which will render it unconstitutional, or gravely endanger its constitutionality, and another reasonable construction would save it, or make it inapplicable to the case, the court should adopt that construction which would not impair constitutional rights. It would be difficult to see how a party to a contract would be concluded by its terms unless he had notice of the contract which would bind him, and this notice should be affirmatively shown.

The power of the Legislature to enact conclusive presumptions is at least doubtful. *Bailey v. Alabama*, 219 U. S. 219, 31 S. Ct. 145, 55 L. Ed. 191. We therefore think that the statute should not be given a construction that will make it applicable to contracts made before its enactment, and, as the contract here involved was executed prior to the enactment of chapter 179, Laws of 1922, we think it is not governed by that statute.

L. S. Hulbert

ITEMS OF NEWS REPORTED BY THE ASSOCIATIONS

Three hundred fifty-two cars of live and dressed poultry were handled in 1925 by the Missouri Farmers' Association, Inc., through its New York City office. Sales amounted to nearly one and three-quarters million dollars.

Up to April 17 the Arkansas Cotton Growers' Cooperative Association, Little Rock, had received 125,756 bales of 1925 cotton, and had sold slightly over 51,000 bales at average prices running from 30.50 cents to 10.58 cents per pound.

Plans are being developed for a dairy pool for Saskatchewan. An association has been incorporated and a provisional board of directors selected. It is planned to secure contracts covering 4,000,000 pounds of butterfat by November 30, the date for the close of the membership drive.

By a process of reorganization the Dairy Marketing Association, Marion, Ind., has become the Producers' Creamery. This is a manufacturing sales organization owned by six county cream associations and is doing business amounting to \$30,000 or \$40,000 each month. It manufactures the cream from the county associations and sells the butter under two brands, "Producers" and "Cloverleaf."

Plans are under way to establish facilities for the cooperative marketing of eggs in Iowa. Some of the features of the plan recommended are: a non-stock organization; central control by means of producers' contracts with the central agency; local units for collecting, grading, and packing eggs; a fee of 20 cents per hen for capital; and deductions for operating expenses.

Steps have been taken for the incorporation of the Saskatchewan Livestock Cooperative Marketing Association, Regina, Canada. The plans adopted provide for a contract running directly from producers to the provincial association. It is proposed to preserve as much local autonomy as possible for the Livestock shipping associations. New shipping stations will be established where there is an apparent need.

A study of Denmark's rural community work and its cooperative organizations is being made by the community organizer of the Louisiana Farm Bureau Cotton Association, assisted by the home demonstration agent of Calcasieu Parish, Louisiana, and the community organizer of the North Carolina Cotton Growers' Cooperative Association. The three women sailed in April and expect to spend about two months studying rural life in Denmark.

SELECTED LIST OF PUBLICATIONS AND ARTICLES

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- Co-op Delegates Sanction Sale of Company's Assets to Pool Elevators, Ltd.: Vote is 366 For and 17 Against Sale--Directors and General Manager Express Views--Deal to be Consummated by August 1, 1926. In Saskatchewan Cooperative News, May 1926, pp. 5 ff.
- Fetrow, W. W. Responsibilities of the Farmers to Their Co-op. Number one of a series of discussions of this subject. In Oklahoma Cotton Grower, Oklahoma City, April 25, 1926, p. 4.
- Herron, L. S. Producers and Consumers in the Cooperative Movement: From the Farmers' Viewpoint. Producers and Consumers must Meet. In Cooperation, New York, May 1926, p. 87.
- Kellogg, Lucien. He Heads the Biggest Co-ops and He's a Busy Californian. In Business, Detroit, May 1926, pp. 12 ff. An interview with Charles C. Teague, President of the California Fruit Growers' Exchange, and also of the California Walnut Growers' Exchange.
- Mackintosh, W. A. The Canadian Wheat Pools. Kingston, Ontario. The Jackson Press. Bulletin of the Departments of History and Political Science in Queen's University, No. 51, November 1925, 28 pp.
- Morse, George H. How Farmers Can Secure Electric Service by Cooperative Effort. Harrisburg. Pennsylvania Department of Agriculture, Bulletin No. 16, 1926, 22 pp., illus.
- North Dakota Wheat Growers' Association. Facts: Comparative Statement, Cost of Production Schedule, Income Schedule. Grand Forks, North Dakota Wheat Growers' Association, 1926, 30 pp.
- Sapiro, Aaron. Helping the Farmer to Help Himself. In The Scholastic, Pittsburgh, May 1, 1926, p. 16, illus.
- Scroggins, C. V. A California Cooperative. In Hoard's Dairyman, Fort Atkinson, Wis. May 10, 1926, p. 517.
- Story of the Ohio Wool Growers' Cooperative Association. Columbus. Published by the association. 1926, 16 pp., illus.
- Watkins, Isabel (Comp.) Cooperative Marketing of Cotton and Tobacco: Selected Argument and Bibliography for the South Carolina High School League Debate, 1925-26. Columbia. Bulletin of the University of South Carolina, No. 170, 1926, 136 pp.

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